



FINANCIAL STATEMENTS 2009

BAVIAANS MUNICIPALITY
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FOREWORD

The Baviaans Municipality is extremely proud to be able to have their financial statement completed and ready for submission in the required time frame. This was possible through diligence from the Baviaans Financial Department and the Senior Executive Officer, i.e. the Municipal Manager.

What concerned the Baviaans Local Council the most was the amount of consumer Debtors in 07/08 of R8 850 939.00. This was seen as a major cash flow burden and a project was established to work on better payment for services and a decline in debtors.

Today, at the end of the financial year 2008/2009 the consumer Debtors stands at R3 721 728.00. Looking at the financial performance overview 2008/2009, outstanding debtors to revenue decrease from 47.6% to 15.22%. The Baviaans Municipality council urges management to maintain the decrease of debtors to the benefit of the cash flow situation.

There are a few highlights in analyzing the operating income and expenditure for the year ended 30 June 2009.

- (i) Operating income exceeds the budgeted income with the amount of R1 667 549.00.
- (ii) Salaries, wages and allowance are 40.7% of expenditure.
- (iii) There is only a .3% deviation in total income as a percentage of total income budgeted.

The fact that the Baviaans Municipality under spent their budget with ±R1 400 000.00 places a burden on service delivery and management needs to investigate the pattern of spending. Lack of planning can be the reason for this.

Spending of conditional grants improved dramatically in 2008/2009 and investments decreases from R29 095 848.00 to R11 170 060.00. Our Technical Department can especially be proud of their performance in capital spending.

The lack of planning is control are still our worst enemy and management has to give more attention to areas where planning and control is the most needed.

A word of thanks to the Municipal Management and Administration for their attitude towards the financial turn around plan adopted by council and the success which was achieved thus far.

E.L LOOCK
MAYOR

1. INTRODUCTION

1.1 BAVIAANS MUNICIPALITY PROFILE

The Baviaans Municipality covers an area of 7727.01 square kilometers with two urban nodes, namely Willowmore and Steytlerville. Willowmore serves as the administrative hub of the area in which is situated the local municipal office and the district offices of national government departments and provincial government departments. The area is scarcely populated (0 – 100 people per sq km.).

The municipality is situated between 23 and 25 degrees longitude and 33 and 34 degrees southern latitude and is at 1000 to 1500 meters above sea-level.

The well known Baviaanskloof Nature Reserve is situated to the south. The Mega-Reserve covers 90% of the municipality's area of jurisdiction.

Agriculture, tourism and service industries form the basis of the area's economy.

The Baviaans Municipality is a category B municipality which together with eight other municipalities form the Cacadu District Municipality.

1.2 MUNICIPAL SERVICES

Baviaans Municipality provides the following services to the local community:

- Water
- Electricity Reticulation
- Sanitation / Sewerage
- Refuse Removal and Waste Management
- Housing Development
- Motor Vehicle Registrations (Agency)
- Motor Vehicle Licensing and permits (Agency)
- Clinics (Agency)
- Municipal Planning
- Libraries
- Tourism
- Airfield
- Storm water Management
- Trading Regulations
- Building regulations

1.3 MEMBERS OF THE MUNICIPAL COUNCIL

<u>Name</u>	<u>Political party</u>	<u>Office held</u>
E Loock	DA	Mayor
D Bezuidenhout	DA	Councillor
H Booysen	DA	Councillor
P Daniels	ANC	Councillor
N Miggels	ANC	Councillor

1.4 GRADING OF MUNICIPALITY

Grade 4

1.5 EXTERNAL AUDITORS

Auditor-General
P.O. Box 210917
The Fig Tree
Port Elizabeth
6033

1.6 INTERNAL AUDITORS

PricewaterhouseCoopers Inc.
Ascot Office Park
1 Ascot Road
Greenacres, Port Elizabeth
6045

1.7 BANKERS

ABSA Bank
Knysna Street
Willowmore
6445

Standard Bank
Carel Cilliers Street
Steytlerville
6250

1.8 REGISTERED OFFICE

Baviaans Municipality
42 Wehmeyer Street
Willowmore
6445

1.9 MUNICIPAL MANAGER

Mr. J. Z. A. Vumazonke
Tel Nr. 044 – 923 1004

1.10 CHIEF FINANCIAL OFFICER

J.H. Doyle
Tel Nr. 044 – 923 1004

1.11 ACCOUNTABILITY AND CERTIFICATION OF FINANCIAL STATEMENTS

I am responsible for the preparation of the Annual Financial Statements in terms of Section 126 of the Municipal Finance Management Act, which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of councilors as disclosed in the notes to the financial statements, are within the upper limits of the framework envisaged in the Constitution, read with the Remuneration of Public Officer Bearers Act and the determinations in accordance with this Act.


J. Z. A. VUMAZONKE
MUNICIPAL MANAGER

Date

31/08/2009

BAVIAANS MUNICIPALITY
FINANCIAL PERFORMANCE OVERVIEW
2008/2009 FINANCIAL YEAR

Operational Performance	2007/2008	2008/2009	Target/Benchmark
Actual operating expenditure to budget	101.7%	93.42%	100%
Actual operating income to budget	107.6%	100.1%	100%
Capital spending to budget	85.0%	108%	90%
Personnel costs to income	41.4%	40.73%	35%
Electricity distribution loss	26.7%	28.8%	8%
Water distribution loss	15.7%	23.1%	10%
Liquidity			
Debtors collection period	220 days	120days	42 days
Outstanding debtors to revenue	47.6%	15.22%	12%

ACCOUNTING POLICIES

1. Statutory framework

In terms of section 62(1)(b) of the Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003) (MFMA) the Municipal Manager must take all reasonable steps to ensure that full and proper records of the financial affairs of the Municipality are kept in accordance with prescribed norms and standards.

2. Accounting standards

Section 122 of the MFMA requires the preparation of financial statements to comply with the prescripts of the Public Finance Management Act. In terms of the Government Gazette No. 30013 dated 29 June 2007 the municipality is exempted from implementing these requirements until the 2009/10 financial year subject to the financial statements for the financial years 2006/7, 2007/8, and 2008/9 being prepared using the same basis of accounting applied in the 2005/6 financial year.

Pending the full implementation of the GRAP / GAMAP standards issued by the Accounting Standards Board these financial statements therefore reflect the standards laid down by the Institute of Municipal Finance Officers in its Report on Standardisation of Financial Statements of Local Authorities. (second edition – 1996)

3. Basis of accounting

The financial statements are prepared on the accrual basis using the historical cost convention. The accounting policies are consistent with those applied in the previous year, except when indicated otherwise.

Although many of these accounting policies appear for the first time there has been no change to the accounting practice during the period under review unless specifically identified.

4. Presentation currency

These statements are presented in South African Rand.

5. Going concern assumption

These annual financial statements are prepared on a going concern basis.

6. Recording of expenditure

Expenditures are recorded in the accounting records when –

- materials or services are ordered;
- an obligation to pay has occurred; and
- the impairment of an asset has occurred.

7. Funds and reserves

Various funds and reserves are maintained as follows:

7.1. Capital Development Fund

The existing fund is not subject to any Council policy

7.2 Revolving Fund

A minimum contribution equal to 20% more than the previous year's contribution is provided each year in terms of the previous Municipal Ordinance, No. 20 of 1974 section 74(1)(a) although this legislation is no longer applicable.

7.3 Dog Tax Fund

Administered in respect of the Dog Tax Ordinance and is made up of revenue collected for dog licences.

7.4 Housing Development Fund

This fund is inactive at present.

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

8 Reserves

8.1 Leave Reserve

The municipality's employees are entitled to accrue leave in terms of their conditions of service. The Leave Reserve balance must be maintained to reflect the actual liability for leave standing to the credit of all personnel at year-end. Contributions to the Leave Reserve are made annually according the budget provision and the liability for leave outstanding.

9 Accounting for fixed assets (Property, Plant and Equipment)

Property, plant and equipment are stated at historical cost while they are in existence and fit for use, except in the case of bulk assets, which are written off at the end of their estimated life as determined by the Chief Financial Officer.

The fixed assets are reflected net of Loans Redeemed and other Capital Receipts. This is tantamount to accounting for depreciation. This is similar to writing down assets over their estimated useful life. However accounting for depreciation is not done in accordance with the GRAP/ GAMAP accounting standards and is to be introduced later.

Impairment losses are recognized as an expense in the year identified. Where an item of property plant or equipment has an estimated recoverable amount less than the carrying amount it will be written down and an expense charged to the Income Statement.

Gains or losses in disposal or retirement of assets are utilized or are applied to the Revolving Fund. Such gains or losses are determined as the difference between the sales proceeds and the carrying value. Such gains or losses are therefore not reflected in the Income Statement or Statement of Financial Performance.

Land and buildings are not revalued.

Apart from advances from various Council funds, assets may also be acquired through:

- Appropriations from operating income where the full cost of the assets forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.
- Grants of donations, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and other Capital Receipts" account.
- External loans which are repaid over the estimated lives of the assets acquired from such loans. Interest is charged to the service concerned at the ruling interest rate applicable at the time the advance is made.

10. Post Retirement Benefits

Baviaans Municipality provides retirement benefits for its employees. The contributions made to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds are actuarially valued triennially. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

Any liability in respect of cases of early retirement for reasons such as medical boarding has not been determined or quantified.

In addition the Municipality carries an obligation to pay 70% of the contributions to medical insurance after retirement of an employee. The financial liability has not been quantified and nor does a reserve exist for such liability. At present this is provided annually within the operational budget.

11. Investments in financial instruments

Council has an approved policy to administer investments. Financial instruments include listed government bonds, fixed deposits and short-term deposits with registered commercial banks. At present all investments are short-term deposits. Investments are stated at cost.

When investments have been impaired the carrying value is adjusted by the impairment, which is recognized as expenditure in the period identified.

On disposal of an investment any difference between net proceeds and the carrying amount will be charged or credited to the Income Statement or Statement of Financial Performance.

12. Investments in associates, municipal entities and joint ventures.

The municipality has no such interests at present and therefore has not established a policy in this regard.

13. Inventory

Consumable stores, raw materials, work-in-progress and finished goods shall be valued at the lower of cost and net realisable value. In general, the basis of determining cost shall be the first-in, first-out method.

Unsold properties shall be valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs, which shall also include a proportion of overhead costs, shall be accumulated for each separately identifiable development.

Redundant and slow-moving inventories shall be identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

14. Accounts receivable

Accounts receivable (debtors) shall be carried at anticipated realisable value. An estimate shall be made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts shall be written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date shall be classified as current.

Accounts receivable in respect of property rates and service fees and which are subject to repayment terms longer than 12 months are shown as current.

15. Trade creditors

Trade creditors shall be stated at their nominal value.

16. Revenue recognition

Service charges relating to electricity and water are based on metered consumption. Credit meters are read on a monthly basis and recorded consumption is recognised as revenue when invoiced. Provisional estimates of consumption are made when meter readings have not been obtained. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from exchange transactions

- Revenue from the sale of prepaid electricity and water recognised at the point of sale.
- Service charges relating to sewage and refuse removal services are recognised as revenue when invoiced.
- Interest and rentals are recognised on a monthly basis.
- Revenue arising from the sale of other services, including the issuing of licences and permits, shall be recognised as revenue when invoiced or when payment is received.
- Revenue from the recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legislative procedures including those set out in the Municipal Finance Management Act (Act 56 of 2003) and is recognized in

the books of account when the recovery thereof from the responsible persons is virtually certain.

- Income for agency services shall be recognised on a monthly basis once the income collected on behalf of agents has been quantified, consistent with the agency agreement.
- Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.
- Revenue from the sale of goods is recognised when the risk is passed to the buyer.
- Revenue from public contributions is recognised when all the conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the Municipality has not met the condition, a liability is recognised

Revenue from non-exchange transactions:

- Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable.
- Penalty interest on unpaid property rates and other service charges are accrued monthly to accounts that reflect arrears.
- Fines i.e. spot fines and summonses are recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past collection experience.
- Donations are recognised on a cash receipt basis.
- Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.
- Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is recognised when the recovery thereof from the responsible person is virtually certain.

17. Conditional grants and receipts

Revenue received from conditional grants, donations and funding shall be recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the grant agreement. To the extent that the criteria, conditions or obligations have not been met a liability shall be recognised.

18. Provisions

Provisions shall be recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the

provision can be made. Provisions shall be reviewed at the reporting date and adjusted to reflect the current best estimate.

Non-current provisions shall be discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

19. Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. Bank overdrafts shall be recorded based on the facility utilised. Finance charges on bank overdrafts shall be expensed as incurred.

20. Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003). Unauthorised expenditure shall be accounted for as an expense in the Income Statement (Statement of Financial Performance) and where recovered, it shall subsequently be accounted for as revenue in the Income Statement (Statement of Financial Performance).

21. Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Local Government: Municipal Systems Act 2000 (Act No.32 of 2000), the Remuneration of Public Office Bearers Act 1998 (Act No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy, but excludes unauthorised expenditure. Irregular expenditure shall be accounted for as expenditure in the Income Statement (Statement of Financial Performance) and where recovered, it shall subsequently be accounted for as revenue in the Income Statement (Statement of Financial Performance).

22. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure shall be accounted for as expenditure in the Income Statement (Statement of Financial Performance) and where recovered, it shall subsequently be accounted for as revenue in the Income Statement (Statement of Financial Performance).

23. Foreign currencies

Transactions in foreign currencies shall initially be recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies shall be retranslated at the rates prevailing at the reporting date. Exchange differences shall be included in the Statement of Financial Performance.

24. Prior year comparative information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts shall be reclassified. The nature and reason for the reclassification shall be disclosed.

25. Establishment of accounts

- Except insofar as current legislation prescribes the format of accounts, the Municipality's accounting records are maintained in the form which the Chief Financial Officer deems to be the most suitable to enable her/him to manage the Municipality's finances effectively.
- The number of accounts shall be limited to the level necessary to ensure the efficient operation of the Municipality unless required by specific agreements. All requests to create new accounts shall be accompanied by proper documentation and approved by the Chief Financial Officer.
- Accounts shall be established in appropriate vote and item groups to reflect the nature of the revenues to be generated and/or the purpose of the expenditures to be incurred.
- All changes to account purpose codes and other account specific information shall be approved by the Chief Financial Officer. Every departmental head shall notify the Chief Financial Officer on a timely basis, of any organisational change, including the movement of staff, affecting reporting responsibility and any general ledger accounts to be deleted, including inactive accounts or special accounts for which the amount has been expended.

26. Reconciliation of accounts

The Chief Financial Officer shall ensure that all control accounts and subsidiary records are reconciled on a monthly basis.

27. Changes to processed information in the financial management system

All changes to processed information in the financial management system shall be done through properly authorised journal forms.

28. Surpluses and Deficits

The overall surplus or deficit shall be retained and carried over to the following year. Council shall deal with the surpluses and deficits once the Chief Financial Officer has submitted a report and recommendations in this regard.

Any surpluses or deficits arising from the electricity and water services are transferred to Rates and General Services. No Council policy exists to define the maximum surplus that may be transferred from any trading service.

REPORT OF THE CHIEF FINANCIAL OFFICER ON THE FINANCIAL STATEMENTS FOR THE YEAR 2008/2009

It is my privilege to present my report on the financial results together with the financial statements for the year ended 30 June 2009.

The primary objective of the Budget and Treasury Office is to assist Heads of Departments to control their budgets and to ensure effective utilisation of financial resources.

1. OPERATING BUDGET

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results are as follows (Please note the Budgeted figures represent the Adjustment Budget).

INCOME		Actual 2009 R	Actual 2008 R	Variance 2008/2009 %	Budget 2009 R	Variance Actual/Budget %
Operating income		24,442,040	22,555,846	7.72	24,406,259	-0.15
Appropriations		-4,238,559	-1,348,695	208.91		
Closing Deficit/(Surplus)		1,238,326	-1,348,695			
Total		21,441,807	21,206,351	1.10	24,406,259	
EXPENDITURE						
Opening Surplus		-1,348,451	2,155,475	259.85		
Operating expenditure		22,790,257	16,574,564	27.27	24,394,413	6.58
Appropriations			2,476,730			
Total		21,441,806	21,206,769	1.10	24,394,413	

The net operating surplus for the year amounted to R 1 651 783. The surplus was generated after a contribution to the provision for bad debts of R 400 000. A value added tax audit was done by Maxprofi which resulted in a payment from SARS to R 2 300 000. The accumulated surplus increased from R 1 348 451 to R 5 556 248.

The main reasons for the surplus is the under expenditure of Salary and Wages to the amount of R 1 132 524.

1.1 RATES AND GENERAL SERVICES

DETAILS	Actual 2009 R	Actual 2008 R	Variance 2008/2009 %	Budget 2009 R	Variance Actual/Budget %
Income	17,714,237	16,175,416	8.69	17,790,764	0.43
Expenditure	17,652,628	12,422,566	29.63	19,174,646	7.94
Surplus/(Deficit)	51,609	3,752,850		-1,383,882	

1.2 TRADING SERVICES

ELECTRICITY	Actual 2009 R	Actual 2008 R	Variance 2008/2009 %	Budget 2009 R	Variance Actual/Budget %
Income	4,889,929	4,524,143	7.48	5,210,495	6.15
Expenditure	3,636,228	2,945,428	19.00	3,683,267	1.28
Surplus/(Deficit)	1,253,701	1,578,715		1,527,228	

WATER	Actual 2008 R	Actual 2007 R	Variance 2007/2008 %	Budget 2009 R	Variance Actual/Budget %
Income	1,837,874	1,855,905	-0.98	1,405,000	-30.81
Expenditure	1,501,401	1,206,571	19.64	1,536,500	2.28
Surplus/(Deficit)	336,473	649,334		-131,500	

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R 19 002 983. (2007/2008 - R 13 480 497)
Hereunder is a summary of the capital expenditure for the year 2007/2008

DETAILS	Actual 2009 R	Budget 2008 R	Actual 2008 R
Capital Expenditure			
<u>Land</u>			
Buildings	4,163,799	4,304,070	22,000
Municipal Building	410,222	-	-
Community Halls	3,753,577	4,304,070	-
Upgrading Libraries	-	-	22,000
Infrastructure	12,342,283	18,938,915	13,280,956
Sewerage and Sanitation	2,909,355	3,000,000	2,408,285
Water	4,784,805	6,613,796	3,231,681
Electricity	-	2,250,000	2,650,949
Housing	-	-	4,970,083
Streets and Stormwater	4,451,108	5,985,119	-
Parks	197,000	200,000	-
Roads	-	-	-
Other fixed assets	2,496,915	3,384,000	197,489
Vehicles	-	-	-
Furniture and Equipment	-	-	197,489
Administration	-	-	-
Finance	2,496,915	3,384,000	-
Water	-	-	-
TOTAL	19,002,982	25,736,985	13,480,487

Resources utilised to finance the fixed assets were as follows:

Resources

DETAILS	Actual 2009 R	Budget 2009 R	Actual 2008 R
Grants and Subsidies	18,805,982	25,536,985	13,431,644
Bankfin Loans			-
Operating Income	197,000	200,000	48,854
TOTAL	19,002,982	25,736,985	13,480,498

A comprehensive analysis of capital expenditure per department classified by service is included in appendix C. Further details regarding external loans used to finance fixed assets is contained in appendix B.

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2009 amounted to R 100 159 (2008 - R 216 965) as set out in appendix B.

Investments and cash amount to R 15 198 485 (2008 - R 33 003 988)

4. STATUTORY FUNDS, RESERVES AND TRUST FUNDS

Details	Balance at 30/06/2008 R	Contributions during the year R	Interest on investments R	Other income R	Operating expenditure during the year R	Capital expenditure during the year R	Balance at 30/06/2009 R
Statutory Funds							
Capital Development Fund	8,342						9,342
Revolving Fund	4,112,178	501,203		-	-		4,613,381
Dog Tax	134,246				100,000		34,246
Housing Development Fund	531,951				531,951		-
Sub Total	4,787,717	501,203			631,951		4,656,969
Reserves							
Leave Reserve	351,616	121,343		-	67,803		405,156
Sub Total	351,616	121,343			67,803		405,156

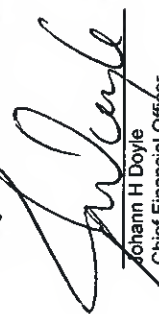
Unspent conditional grants and receipts			
Water & Sanitation Policy	-	87,719	87,719
Water Services Asset	-	614,035	614,035
Water Conservation DWAF	-	600,000	338,386
Water Supply Investigation	-	100,000	15,577
CIP	-	200,000	185,382
Municipal Infrastructure Grant	22,394,562	4,868,907	6,604,788
Project Consolidate	288,927	400,000	0
Spatial Development Framework	95,637	-	-0
Land Sales	-	-	-
Housing Project 460	66,512	21,600	0
LED Paper project Steytlerville	710,193	-	710,193
Electricity donations fund	-	-	-
FMG Grant	362,048	224,978	-
HIV Launch	-	-	-
Willowmore Housing Repairs (-	-	-
Drought Relief	177,969	-	-
CMIP - Steytlerville sewer proj	-	-	-
CMIP - Steytlerville sewer res	-	-	-
Steytlerville Housing project	-	-	-
Property Valuation	5,000,000	-	-
PMS/IDP	-	-	-
Sub Total	29,095,848	7,117,239	11,170,061
TOTAL FUNDS	34,236,181	2,283,931	16,232,186

The balance of the statutory funds, reserves and conditional grants decreased from R 34 234 181 to R 16 110 843 due to all Municipal Infrastructural grants (R 20 658 681) been spend in the 2008/2009 financial year. Furthermore the property valuation was done in this year to a value of R 2 386 020

4. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Councillors, Heads of Departments and staff of the Budget and Treasury office for the support they have given me and for controlling their budgets in such a way that resulted in the net surplus for the year.

I would also like to express my appreciation to the staff of the Auditor-General for their co-operation and assistance during the audit of the Council's financial statements.



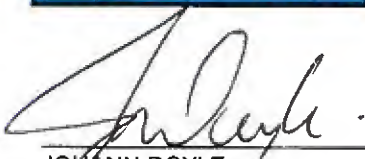
Johann H Doyle
Chief Financial Officer
Baviaans Municipality
31 August 2009

BAVIAANS MUNICIPALITY**BALANCE SHEET AS AT 30 JUNE 2009**

	Notes	2009	2008
		R	R
<u>Capital Employed</u>			
Funds and Reserves		5,062,126	5,139,333
Statutory Funds	1	4,656,970	4,787,717
Reserves	2	405,155	351,616
(Accumulated deficit)/ Retained Income	19	-3,437,271	1,348,695
		1,624,854	6,488,028
Trust Funds	3	-	-
Long term liabilities	4	-	53,106
Consumer Deposits	6	130,292	111,796
		1,755,146	6,652,930
<u>Employment of Capital</u>			
Fixed Assets	7	110,157	216,963
<u>Net current assets/(liabilities)</u>		1,644,990	6,435,967
<u>Current Assets</u>		18,622,194	38,039,287
Inventory	9	-	-
Debtors	10	2,063,105	3,748,849
Bank and Cash	5	1,360,604	1,491,700
Short-term investments	11	15,198,485	32,798,738
<u>Current liabilities</u>		16,977,205	31,603,320
Provisions	13	360,000	360,000
Creditors	14	5,336,986	1,983,615
Unspent conditional grants	3	11,170,060	29,095,846
Short-term portion of long-term liabilities	4	110,159	163,859
		1,755,146	6,652,930



J.Z.A. VUMAZONKE
MUNICIPAL MANAGER



JOHANN DOYLE
CHIEF FINANCIAL OFFICER

BAVIAANS MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

Actual Income 2008	Actual Expenditure 2008	Surplus/(Deficit) 2008
R	R	R

16,175,416 12,422,566 3,752,850 Rates and General Services

14,844,424	10,901,350	3,943,074
76,679	551,810	-475,131
1,254,313	969,406	284,907

Community Services
Subsidised Services
Economic Services

6,380,048	4,151,999	2,228,049
1,855,905	1,206,571	649,334
4,524,143	2,945,428	1,578,715

Trading Services
Water
Electricity

22,555,464 16,574,865 5,980,599 TOTAL

-2,476,973 Appropriations for the year (refer note 19)

3,503,926 Net surplus/(deficit) for the year

-2,155,475 Accumulated surplus/(deficit) at the beginning of the year

1,348,451 Accumulated surplus/(deficit) at the end of the year

Actual Income 2009	Actual Expenditure 2009	Surplus/(Deficit) 2009	Budgeted Surplus/(deficit) 2009
-----------------------	-------------------------------	---------------------------	---------------------------------------

17,715,675 17,990,016 -274,341 -1,371,740

15,733,616	15,655,164	78,452	-966,614
63,265	764,237	-700,972	-839,810
1,918,794	1,570,615	348,179	434,684

6,768,612	5,704,896	1,063,716	1,348,569
1,874,040	1,537,567	336,472	-131,500
4,894,572	4,167,329	727,244	1,480,069

24,434,237 23,894,912 789,375 23,171

-5,575,097

-4,785,722

1,348,451

-3,437,271

BAVIAANS MUNICIPALITY**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009**

	NOTES	2009	2008
<u>Cash retained from operating activities</u>		-17,624,543	36,577,998
Cash generated by operations	20	-24,761,761	-15,124,453
Investment income	18	2,027,605	204,360
(Increase)/decrease in working capital	21	5,057,611	2,753,641
Less: External interest paid	18	52,002	52,011
Cash available from operations		-17,624,543	-12,114,441
Cash contributions from public and the State		-	48,692,439
Nett proceeds on disposal of fixed assets			-
 Cash utilised in investing activities			
Investment in fixed assets		-	-13,480,253
 Net cash flow		-17,624,543	23,097,745
 <u>Cash effects of Financing activities</u>			
Increase/(decrease) in long-term loans	22	-106,806	-120,469
(Increase)/decrease in cash investments	23	17,600,253	-24,167,859
(Increase)/decrease in cash	24	131,096	1,190,583
		17,624,543	-23,097,745

BAVIAANS MUNICIPALITY**NOTES TO THE YEAR ENDED 30 JUNE 2009**Note
Number**1 Statutory Funds**Capital Development Fund
Revolving Fund
Dog Tax Fund
Housing Development Fund

(Refer to Appendix A for further details)

2 Reserves

Leave Reserve

(Refer to Appendix A for further details)

3 Unspent Conditional Grants and ReceiptsWater & Sanitation Policy
Municipal Infrastructure Grants
Project Consolidate
Spatial Development Framework
Water Service Asset
Water Conservation
Water Supply Investigation
Housing Project 460
LED Paper project (Steytlerville)
CIP
FMG Grant
Drought Relief fund
Property Valuation

(Refer to Appendix A for further details)

4 Long-term LiabilitiesLong term loans
Less: Short term portion

(Refer to Appendix B for further details)

During the 05/06 financial year the Baviaans Municipality entered into a finance lease agreement with ABSA Bank over a period of 60 months. Monthly payments of R 8 111.50 at and interest rate of 10.5 %. The finance lease will be settled in full within the next 12 months.

Loans in respect of vehicles are repaid in monthly instalments.

2009	2008
R	R

4 856 970	4 787 717
-----------	-----------

9,342	9,342
4,613,382	4,112,178
34,246	134,246
	531,951

405,155	351,615
---------	---------

405,155	351,615
---------	---------

11,170,080	29,095,848
------------	------------

87,719	-
6,604,788	22,394,562
	288,927
	95,637
614,035	-
338,386	-
15,577	-
	66,512
710,193	710,193
185,382	-
	362,048
	177,969
2,613,980	5,000,000

-	53,106
---	--------

110,159	216,965
110,159	163,859

5 Bank and Cash

1,380,604	1,491,700
-----------	-----------

Baviaans General Account (ABSA and Standard Bank)
Standard Bank
Vuyolwethu Housing Account (ABSA Bank)

1,005,675	1,424,435
354,930	7,744
	59,521

ABSA Bank (Primary Bank Account) account number 4053623514
Standard Bank account number 280252013
ABSA Bank (Vuyolwethu Housing Account) account number 4061808429.

6 Consumer Deposits

130,292	111,795
---------	---------

Water and Electricity

130,292	111,795
---------	---------

7 Fixed Assets

Fixed assets at the beginning of the year

76,093,433	62,612,936
------------	------------

Capital Expenditure during the year

19,002,983	13,480,497
------------	------------

Less: Assets written off, transferred or disposed of during the year

Total fixed assets

95,096,416	76,093,433
------------	------------

Less: Loans redeemed and other capital receipts

94,986,259	75,876,470
------------	------------

Nett fixed assets

110,157	216,963
---------	---------

8 Long-term Debtors

-	-
---	---

Housing loans

-	-
---	---

Less: Provision for bad debts

-	-
---	---

9 Inventory

-	-
---	---

Inventory represents only fuel

-	-
---	---

10 Debtors

2,083,195	3,748,850
-----------	-----------

621,708	2,618,353
---------	-----------

Consumer debtors

3,721,728	5,111,152
-----------	-----------

Less: Provision for bad debts

3,100,020	2,492,799
-----------	-----------

Other debtors

1,441,397	1,130,497
-----------	-----------

Sundry debtors

-	270,156
---	---------

Electricity 373 Houses

-	581,155
---	---------

Vat

1,404,413	-
-----------	---

Cacadu Claims

6,622	-
-------	---

IEC

-	7,420
---	-------

Nursery Electricity

-	78,110
---	--------

Christmast Lights

-	45,063
---	--------

Pre-paid sales - outstanding deposit (Lucky 7)

30,363	30,363
--------	--------

Umsobomvu Youth Fund

-	118,230
---	---------

10.1 Age analysis per service

	Less than 90 days	Over 90 days	Total
	R	R	R
Water	319,735	906,666	1,226,401
Electricity	235,003	278,541	513,544
Sewerage	92,919	396,980	489,899
Refuse	131,890	606,148	738,038
Rates	221,163	464,225	685,387
Other	73,282	270,688	343,970
Total	1,073,992	2,923,248	3,997,240

10.2 Age analysis per category

Provincial Departments	106,796	627	107,423
Industrial/Business	68,569	19,695	88,263
National Departments	552	3,197	3,749
Residents	898,075	2,899,730	3,797,804
Total	1,073,991	2,923,248	3,997,239

11 Short term investments

Unlisted	15,198,485	32,798,738
ABSA Bank	15,198,485	32,098,122
Standard Bank	-	700,616
Market value of unlisted investments	15,198,485	32,798,738
Average rate of return on investments	10.50%	11.00%

Investments consist of saving accounts and 32 day notice deposits.
No investments were pledged as security for any funding activities of the Council

12 Deferred charges

There are no deferred charges

13 Provisions

	360,000	360,000
Audit Fees 2004/2005	-	-
Audit Fees 2008/2009	-	360,000
Audit Fees 2009/2010	360,000	-

14 Creditors

	5,336,988	1,983,615
Trade Creditors	5,178,098	811,399
Provision Audit Cost	-	-
Breakage Rent of hall	5,174	-
Seta claims	68,246	-
Deposit - Hire of halls	-	3,813
VAT - Nett position	-	1,168,403
Payments in advance	85,468	-

15 Assessment rates

1,338,185	1,334,434
-----------	-----------

All properties

1,338,185	1,334,434
-----------	-----------

R	R
---	---

Valuations of residential, commercial/industries and state refer to Appendix F.

The above valuations came into effect on 1 July 2000

A project to revalue all property in terms of the Property Rates Act has been implemented - new valuations should be available for 1 July 2009.

The general rate applied for 2008/9 is reflected in Appendix F.

16A Councillor's Remuneration

978,119	753,780
---------	---------

Mayor / Speaker

228,187	208,088
---------	---------

Salary

158,072	140,184
---------	---------

Transport allowance

49,385	46,728
--------	--------

Medical allowance

12,168	12,168
--------	--------

Cellphone

9,562	8,988
-------	-------

Benefits in kind

Councillor's allowances

746,932	545,712
---------	---------

Salary

512,411	382,320
---------	---------

Transport allowance

186,711	127,440
---------	---------

Medical allowance

-	-
---	---

Cellphone

47,810	35,952
--------	--------

Benefits in kind

16 B Details of arrears as at 30 June 2008 owing by individual Councillors.

Not one of the councillors owed the council on 30 June 2008

Nil

17 Audit Fees

812,646	749,934
---------	---------

Current year

812,646	749,934
---------	---------

Prior year

-	-
---	---

18 Finance Transactions

2,027,805	204,360
-----------	---------

Total external interest earned or paid

Interest earned

2,027,805	204,360
-----------	---------

Interest paid

-	-
---	---

Capital charges debited to operating account

Interest:

52,002	52,011
--------	--------

External

52,002	52,011
--------	--------

Internal

Redemption:

52,002	75,656
--------	--------

External

52,002	75,656
--------	--------

Internal

19 Appropriations

Appropriation Account:

Accumulated surplus at the beginning of the year

Operating (deficit)/surplus for the year

Appropriation for the year

Proir year various adjustments

Wrong allocation See note 40

Expenditure 2005/2006 See note 40

Expenditure 2005/2006 See note 40

Expenditure 2006/2007 See note 40

Electrification 373 Houses See note 40

Unknown deposits See note 40

Clearing suspense account See note 40

IOT Money wrongly raised See note 40

MIG Funds wrongly allocated See note 40

Correction of Housing account See note 40

Motor Vehicle Registration See note 40

Provision Audit Fees

Investments

Leave Reserve

Bank

Licence Fees

VAT

Vat Recon Previous Year

Standard Bank

Debtors

Provision Bad Debts

SARS vat

SARS

1,348,451	-2,155,475
789,375	5,980,899
-5,575,087	-2,476,973
-	-1,896
-	-22,325
-	-428,430
-	-677,341
-	791,323
-	62,434
-	8,564
-	752,333
-	-400,009
-	-400,400
-	-2,422,896
-	338,556
-	-360,000
-	-205,250
-	208,059
-	280,305
-25,672	-
454	-
1,146,374	-
-7,744	-
-6,794,573	-
-2,740,952	-
1,404,415	-
1,442,601	-

Accumulated deficit at the end of the year

-3,437,271	1,348,451
------------	-----------

Operating account:

Capital expenditure

87,174	71,286
87,174	71,286

Contributions to:

Revolving Fund

Leave Reserve

Provision for Bad Debts

666,343	492,410
145,000	120,160
121,343	52,250
400,000	320,000

20 Cash generated by operations

(Deficit)/Surplus for the year

Adjustments in respect of:

Previous year's operating transactions

789,375	5,980,899
-5,575,087	-2,476,973

Appropriations charged against income

Revolving fund

Leave reserve

Provisions

Fixed assets

Interest to internal funds

-	603,686
-	120,160
-	412,250
-	71,286
-	-

Less: Operating contributions from Central and Provincial Government

Capital Charges

Interest paid:

to internal funds

on external funds

Redemption:

of internal advances

of external loans

-	-12,498,028
52,002	127,687
52,002	52,011
-	75,656

Investment income (operating account)

Non-operating income:

Net income from provisions and reserves

Non - Operating expenditure

Expenditure charged against provisions and

Reserves

-2,027,605	-204,360
7,742,344	-120,469
-	-357,500
-	-
-25,742,780	-6,179,385
-24,757,661	-13,724,453

21 (Increase)/decrease in working capital	5,057,611	2,753,641
(Increase)/decrease in inventory	-	-
(Increase)/decrease in debtors, long-term debtors	1,685,744	1,981,420
Increase/(decrease) in creditors, consumers' deposits	3,371,867	772,221
Less: Outstanding grant for Steytleville Library	-	-
22 Increase/(decrease) in long-term loans (external)	-106,806	-120,469
Loans raised	110,159	216,965
Loans repaid	216,965	337,434
23 (Increase)/decrease in external cash investments	17,600,253	-24,157,859
Investments realised	32,798,738	8,630,879
Investments made	15,198,485	32,798,738
24 (Increase)/decrease in cash on hand	131,096	1,190,583
Cash balance at the beginning of the year	1,491,700	2,682,283
Less: Cash balance at the end of the year	1,360,604	1,491,700
25 Retirement benefits		
The municipality contributes to three retirement funds. Employees of the former Willowmore Municipality are members of the Cape Joint pension fund and the SAMWU Provident fund. Employees of the former Steytleville Municipality are members of the SALA pension fund. Refer also accounting policy no.14.		
26 Revolving Fund		
Outstanding advances to borrowing services		
Accumulated fund		
Less: Internal investment in the Rates and General Account	4,613,381	4,112,178
External investments	-4,613,381	-4,112,178
	-	-
27 Government Grants and subsidies	13,295,216	39,585,151
Grants received:		
National Equitable share	7,428,840	5,905,207
Department of Transport	-	-
Finance Management Grant	500,000	500,000
Extra-ordinary allocation (R5m)	-	5,000,000
MIG	4,868,907	21,607,253
Provincial PHB subsidies/housing funds	-	-
Health subsidies	497,469	572,691
Libraries	-	-
Other	-	-
District Municipality (Sportfields Steytleville)	-	1,000,000
LED projects	-	-
R5m to implement Municipal Property Rating Act	-	5,000,000
Grants Spent / transferred to income:		
Changes to liabilities / balance unspent:		
Grants made:	Nil	

Grants due in terms of Division of Revenue Act - payment delayed:

Drought Relief Fund	-	1,500,000
---------------------	---	-----------

28 Senior Management remuneration

Municipal Manager JZA Vumazonke	395,263	30,367
Annual remuneration	320,863	24,167
Performance bonus		
Vehicle allowance	60,000	5,000
Other	14,400	1,200
Chief Financial Officer JH Doyle	322,735	255,760
Annual remuneration	188,021	148,216
Performance bonus		
Vehicle allowance	123,914	102,144
Other	10,800	5,400
Corporate Services Manager: M Lötter	332,851	249,689
Annual remuneration	247,051	172,823
Performance bonus	-	
Vehicle allowance	75,000	69,592
Other	10,800	7,274
Technical Services Manager: B Arends	323,233	275,509
Annual remuneration	274,320	191,728
Performance bonus	-	
Vehicle allowance	38,113	78,381
Other	10,800	5,400
Community Services Manager: L De Beer	245,944	-
Annual remuneration	210,056	-
Performance bonus	-	-
Vehicle allowance	30,000	-
Other	5,888	-

29 Municipal entities

This Municipality does not have any entities under its sole or shared control.

30 Contributions to organised local government

Contributions made:	30,487	25,894
---------------------	--------	--------

Contributions outstanding:	nil
----------------------------	-----

31 Taxation and other disclosable expenditure

31.1 Taxes paid:	1,033,321	773,321
Levies	nil	
VAT	nil	
PAYE	879,905	641,795
SDL	44,129	42,657
UIF	109,288	88,869

Taxes unpaid at year end:	nil
---------------------------	-----

31.2 Pension and Medical Aid contributions

	740,940	818,254
Current year contributions Medical Aid	156,729	271,260
Current year contributions Pension	584,212	546,994

32 Details of current bank accounts (investments excluded)

Standard Bank: Steytville - cheque		
Opening balance	180,480	434,227
Year-end balance	324,680	180,480
ABSA: Willowmore - cheque		
Opening balance	1,507,619	644,859
Year-end balance	898,696	1,507,619
ABSA: Vuyolwetha Housing Account		
Opening balance	60,445	1,982,848
Year-end balance	354,930	60,445

33 Particulars of any non-compliance with the Municipal finance Management Act

Municipal Finance Management Act implementation plan is attached as Annexure G of the Financial Statements

34 Capital Commitments

Expenditure approved and contracted: 5,427,847

Extension of Wanhoop Phase 2	4,123,028
Willowmore Sportfields	1,304,619

Expenditure approved but not contracted: None

35 Contingent Liabilities

Court case between Baviaans Municipality and contractor of 503 housing project

36 Unauthorised, Irregular, Fruitless and wasteful expenditure**36.1 Material Unauthorised expenditure:**

Unauthorised expenditure council approved on its meeting held on 12 August 2009 317,718

Overtime Line item 17	71,658	
Fuel and Oil Line item 60	12,596	
Audit Cost Line item 144	164,733	
X-Rays Line item 183	8,025	
Water Research Line item 204	14,736	
Vehicle Maintenance Line item 339	25,967	
Capital Cost Redemption Line item 351	10,002	
Capital Cost Interest Line item 354	10,002	

36.2 Material Irregular expenditure: None

36.3 Material Fruitless and wasteful 84,500

Subsistence and Travel expenses to CW	2,500
PAYE recon not done	82,000

36.4 Any material losses: None

36.5 Disciplinary Hearings

M Larens - 20.02.2009
J Tarentaal - 20.02.2009
D Miggels - 20.02.2009
S Golozana - 20.02.2009
W Larens - 12.12.2008
J Tarentaal - 29.07.2008

37 Disclosure of payables to mayor (inservice of the state)

The following payments were made to the mayor because of his transport business.

6,488

Transport Cost

November 2008 Ref 3192 - Willowmore United Sports Club
November 2008 Ref 3412 - Willowmore United Sports Club
March 2009 Ref 5249 - Willowmore United Sports Club
April 2009 Ref 5479 - Willowmore United Sports Club

2,400
2,400
500
500

Other

November 2009 Ref 3370 Glas for Photo frames
June 2009 Ref 10016 Meals for EC Parks Board

400
288

38 Audit Committee Members

The following members served on the Audit Committee for the financial year.

Chair person R Shaw
Audit committee member A Saayman
One vacant

39 Operating leases

322,457

Operating lease rentals are expensed in the income statement under vote 10006078 Administration

The minimum rentals for the next 12 months
The minimum rentals after 1 year less than 5 years

74,550
247,907

40 Movement in Appropriation Account

-2,478,973

Prior year various adjustments

An amount of R 22 324.63 was for water research in 2007/2008 which was for the book year 2006/2007 Journal Nr. 51/07/08

-1,896

Correction of creditors paid in 2007/2008 which were creditors during 2006/2007. Journal Nr. 78/07/08

-22,325

This is expenditure made during July 2007 which was for June 2007. Journal Nr. 79/07/08

-428,430

Correction of creditors of the 2006/2007 book year. Journal Nr. 80/07/08

-677,341

Electrification of 373 houses - the first 150 Houses. According to Manager Technical all monies have been paid to Benkro. Journal 81/07/08

791,323

This is a correction of unknown deposits of R 99 064.12. R 90 500 was for the Pigs and Poultry project that was corrected. The other R 8 564.12 can not be traced. Journal Nr. 82/07/08

62,434

This was the posting of orders. It was stopped by the Accountant and she never put the journal through. The expenditure was posted from the payment vouchers to the correct vote numbers. Journal Nr. 84/07/08

8,564

During Willowmore Municipality a debtor was raised for R 400 000. The municipality said that National Government owed them R 400 000 of the equitable share. The correction was made because the government did not owed this money to the municipality

752,333

When payment was made to the Department of Transport a wrong vote number was used. This is the correction. Journal Nr. 97/07/08

-400,009

Correction of housing account Steytleville Journal Nr. 105/07/08

-400,400

-2,422,896

The municipality paid the Department of Transport R 400 000 re motor registration fees not paid over. Journal Nr. 106/07/08

338,556

Provision for Audit Fees

-360,000

Correction of Investments

-205,250

Correction of Leave Reserve

208,059

Correction of Bank Balance

280,305

BAVIAANS MUNICIPALITY

APPENDIX A STATUTORY FUNDS, RESERVES AND TRUST FUNDS

	Balance at 30/06/2008 R	Contributions during the year R	Interest on investments R	Other income R	Operating expenditure during the year R	Capital expenditure during the year R	Balance at 30/06/2009 R
Statutory Funds							
Capital Development Fund	9,342						9,342
Revolving Fund	4,112,178	501,203					4,613,381
Dog Tax	134,246				100,000		34,246
Housing Development Fund	531,951				531,951		
Sub Total	4,787,717	501,203	-	-	631,951	-	4,656,969
Reserves							
Leave Reserve	351,616	121,343			67,803		405,156
Sub Total	351,616	121,343	-	-	67,803	-	405,156
Unspent conditional grants and receipts							
Water & Sanitation Policy		87,719					87,719
Water Services Asset		614,035					614,035
Water Conservation DWAF		600,000				261,614	338,386
Water Supply Investigation		100,000				84,423	15,577
CIP		200,000			14,618		185,382
Municipal Infrastructure Grant	22,394,562	4,868,907				20,658,681	6,604,788
Project Consolidate	288,927	400,000			688,927		0
Spatial Development Framework	95,637				95,637		-0
Land Sales							
Housing Project 460	66,512	21,600				88,112	0
LED Paper project Steytlerville	710,193						710,193
Electricity donations fund							
FMG Grant	362,048	224,978			587,026		
HIV Launch							
Willowmore Housing Repairs (Cacadu)							
Drought Relief	177,969						
CMIP - Steytlerville sewer project					177,969		
CMIP - Steytlerville sewer reservoir							
Steytlerville Housing project							
Property Valuation	5,000,000					2,386,020	2,613,980
PWS/IDP							
Sub Total	29,095,848	7,117,239	-	-	1,564,177	23,475,860	11,170,061
TOTAL FUNDS	34,235,181	7,739,785	-	-	2,253,931	23,475,860	16,232,166

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

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BAVIAANS MUNICIPALITY

APPENDIX C ANALYSIS OF FIXED ASSETS

Expenditure 2008	Budget 2009	Balance at 30/06/2008	Expenditure during the year	Written Off, transferred or disposed	Balance at 30/06/2009
R	R	R	R	R	R
	16,873,189	17,460,053	13,807,955	-	31,268,008
Rates and General Services	7,169,119	5,842,845	5,302,521	-	10,945,366
197,489 Community Services	1,169,729	1,169,729	851,413	-	2,021,142
197,489 Administration	5,985,119	2,366,615	4,451,108	-	6,817,723
- Public Works		54,110			54,110
- Swimming Pool		1,304			1,304
- Civil Defence		221,976			221,976
- Traffic Services		98,545			98,545
- Television relay station		1,566,036			1,566,036
- Council General Expenses		164,530			164,530
- Health Services					
22,000 Subsidised Services	6,704,070	2,026,147	5,596,079	-	7,622,226
22,000 Fire Protection	16,625	16,625	3,738,762	-	16,625
- Civil Buildings	4,304,070	894,175	14,815	-	4,622,937
- Sport Complex		550,351			565,166
- Parks & Recreation	200,000	318,017	197,000	-	515,017
- Cemetery		61,687			61,687
- Properties	2,200,000	195,292	1,645,502	-	1,840,794
2,408,285 Economic Services	3,000,000	9,791,061	2,909,355	-	12,700,416
2,408,285 Sanitation	3,000,000	9,791,061	2,909,355	-	12,700,416
4,970,093 Housing Services	-	21,848,870	-	-	21,848,870
4,970,093 Housing Schemes	-	21,848,870	-	-	21,848,870
5,882,630 Trading Services	8,883,796	36,784,510	5,198,027	-	41,979,537
2,650,949 Electricity	2,250,000	10,110,025	-	-	10,110,025
3,231,681 Water	6,613,796	26,673,679	4,784,805	-	31,458,484
- Abattoir		806	410,222	-	411,028
13,480,467 TOTAL	25,736,985	76,093,433	19,002,983	-	95,086,416
Less: Loans redeemed and other capital receipts	75,876,470	19,108,789	-	-	84,986,259
Loans redeemed and advances repaid	4,207,767	106,806	-	-	4,314,573
Contributions from operating income	2,206,722	-	-	-	2,206,722
Grants	69,461,981	19,002,983	-	-	88,464,964
NET FIXED ASSETS	216,953	-106,806	-	-	110,157

BAVIAANS MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2009

Actual 2008 R		Actual 2009 R	Budget 2009 R
Income			
5,534,205	Government - Grants and Subsidies	9,200,757	10,790,279
10,057,437	Operating Income	15,283,530	13,615,980
1,334,434	Assessment Rates	1,338,185	1,469,600
4,524,143	Sale of Electricity	4,894,572	5,176,165
1,855,905	Sale of Water	1,874,040	1,405,000
1,254,313	Sanitation and refuse services	1,918,794	1,816,120
1,088,642	Other Services	5,257,939	3,749,095
10,057,437	TOTAL INCOME	24,484,288	24,406,259
Expenditure			
7,303,208	Salaries, wages and allowances	9,332,173	10,432,892
7,219,632	General Expenditure	10,865,273	11,320,978
2,041,086	Purchase of Electricity	2,725,242	2,780,000
5,178,546	Other	8,140,032	8,540,978
1,651,642	Repairs and Maintenance	2,893,885	2,387,800
127,667	Capital Charges	104,003	84,000
71,286	Contribution to fixed assets	87,174	100,000
492,410	Contribution to funds	666,343	545,000
-291,282	Less: Charged out	-311,671	-441,241
10,574,583	TOTAL EXPENDITURE	23,637,191	24,429,429

BAVIAANS MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

Actual Income 2008	Actual Expenditure 2008	Actual Surplus/(deficit) 2008	Actual Income 2009	Actual Expenditure 2009	Actual Surplus/(deficit) 2009	Budget Surplus/(deficit) 2009
16,175,416	12,422,566	3,752,850	17,715,675	17,990,016	-274,341	-1,371,740
Rates and General Services						
14,844,424	10,901,350	3,943,074	15,733,616	15,655,164	78,452	-966,814
1,334,434	120,160	1,214,274	1,338,185	145,000	1,193,185	1,324,600
18,801	2,234,036	-2,215,235	180,839	618,087	-618,087	-710,577
12,053,151	3,988,012	8,065,139	12,482,823	1,924,963	-1,744,124	-1,909,799
				6,002,866	6,479,957	6,345,745
				1,068,687	-1,068,687	-1,335,414
				512,732	-434,437	-410,044
572,691	577,457	-4,766	78,295	273,182	-273,182	-575,704
-	1,119,511	-1,119,511	497,469	604,243	-106,774	20,006
527,070	2,762,418	-2,235,348	-	987,369	-987,369	-1,065,359
338,277	99,756	238,521	702,732	3,417,463	-2,714,731	-2,996,210
			453,273	100,574	352,700	346,142
Subsidised Services						
76,679	551,810	-475,131	63,265	764,237	-700,972	-839,810
68,784	249,201	-180,417	59,386	404,212	-344,826	-480,254
7,895	23,399	-23,399		139,848	-139,848	-140,966
-	48,749	-40,854	3,879	53,922	-50,043	-47,922
	230,461	-230,461		166,255	-166,255	-170,668
Economic Services						
1,254,313	969,406	284,907	1,918,794	1,570,615	348,179	434,684
			1,918,794	1,570,615	348,179	434,684
Trading Services						
6,380,048	4,151,999	2,228,049	6,768,612	5,704,896	1,063,716	1,348,569
4,524,143	2,945,428	1,578,715	4,894,572	4,167,329	727,244	1,480,069
1,855,905	1,206,571	649,334	1,874,040	1,537,567	336,472	-131,500
22,555,464	16,574,565	5,980,899	24,484,287	23,694,912	789,375	-23,171
TOTAL						
Appropriations for the year (refer to note 19)						
		-2,476,973			-5,575,097	
Nett surplus/(deficit) for the year						
		3,503,926	24,484,287	23,694,912	-4,785,722	-23,171
Accumulated deficit at the beginning of the year						
		-2,155,475			1,348,451	
Accumulated surplus at the end of the year						
		1,348,451	24,484,287	23,694,912	-3,437,271	-23,171

BAVIAANS MUNICIPALITY
APPENDIX F
STATISTICAL INFORMATION

	2009	2008	2007	2006	2005
General statistics					
Population	16,805	16,805	16,805	15,336	15,336
Registered Voters	-	7,802	7,802	7,802	7,802
Valuation of taxable property					
Land	2,244,820	2,244,820	2,244,820	2,244,820	2,244,820
Improvements	80,789,301	80,789,301	80,789,301	80,789,301	80,789,301
Valuation of non taxable property					
Land	2,191,170	2,191,170	2,191,170	2,191,170	2,191,170
Improvements	8,527,900	8,527,900	8,527,900	8,527,900	8,527,900
Assessment rates					
Willowmore Residential	0.0124	0.01128	0.01025	0.00932	0.00847
Willowmore Commercial	0.01649	0.01499	0.01363	0.01217	0.01059
Steylerville Residential	0.0124	0.01128	0.01025	0.00932	0.00847
Steylerville Commercial	0.01649	0.01499	0.01363	0.01217	0.01059
Number of plots	3983	3854	3854	3854	3851
Number of employees	94	81	81	63	67
Electricity Statistics					
Units bought	9,224,004	9,232,715	8,403,939	8,074,219	8,520,263
Units sold	6,560,363	6,771,365	6,225,779	6,443,848	6,012,625
Units lost in distribution	2,663,641	2,461,350	2,178,160	1,630,371	2,507,638
Units lost as a percentage	28.88%	26.66%	25.92%	20.19%	29.43%
Cost per unit sold	0.66	0.44	0.57	R 0.42	R 0.45
Water Statistics					
Units purified	592,498	472,176	421,057	429,280	531,260
Units sold	455,606	398,115	331,119.0	362,962	442,717
Units lost in distribution	136,892	74,061	89,938.0	66,318	88,543
Units lost as a percentage	23.10%	15.68%	21.36%	15.45%	16.67%
Cost per unit sold	3.80	3.65	3.65	R 3.65	R 2.35

NATIONAL TREASURY MFMA IMPLEMENTATION PLAN - TEMPLATE (Low Capacity Municipality Only)



Name of municipality: Baviaans Municipality **Demarcation code:** EC 107
(eg. City of Johannesburg)

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
1 MANAGEMENT ARRANGEMENTS									
Reforming the municipality's finances will require a new approach to organisational change, one that takes into account change management processes as well as a clear understanding of the relevant legislation - not only the MFMA, but also the Constitution, Municipal Structures Act, Municipal Systems Act and annual Division of Revenue Act. This section outlines some of the key management and organisational considerations that must be borne in mind when commencing the reforms required. Note that this list is not exhaustive, and must be amended as required to meet the council's own individual circumstances. Refer MFMA Chapters 7, 8, 9, 13, 14 and 15, and s51 and s59 of the MSA. s51 of the MSA describes the organisation of a municipality's administration in more detail									
CORPORATE MANAGEMENT									
Council and the mayor									
1.1	In instances where there is no mayor, executive mayor or executive committee, designate a councillor to exercise the powers and duties assigned to a mayor	57 59	council	ref s59 of MSA	1-Jul-04	N/A			
1.2	In instances where there is an executive committee, exercise the powers and functions in consultation with the executive committee	58 59	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			
1.3	Take steps to ensure that the mayor is aware of his or her general responsibilities under the MFMA	52 59	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	Accural to Budget report done monthly		Also ref s56(1)(b) of the MSA.
Municipal officials: municipal manager, CFO and top management									
1.4	Appoint/assign a person to assume the duties of the municipal manager		council	ref s59 of MFMA	1-Jul-04	Done			Also ref s52 of the MSA.
1.5	Take steps to ensure that the municipal manager is aware of his or her fiduciary responsibilities as the accounting officer of the municipality	60 61	mayor	ref s59(1) of MFMA	1-Jul-04	Done			
1.6	Provide guidance and advice on compliance with the MFMA to political structures, political office-bearers and officials and undertake all fiduciary responsibilities	60(b) 61	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
1.7	Implement the appropriate systems to help ensure that the resources of the municipality are used effectively, efficiently and economically	62(1)(a)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
1.8	Implement the appropriate systems to help ensure that full and proper records of the financial affairs of the municipality are kept in accordance with prescribed norms and standards	62(1)(b)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
1.9	Appoint/assign persons to assume the roles of other senior managers to form a top (or senior) management team	77	council	ref s59 of MSA	1-Jul-04	Done			Appointments of senior managers to be made by council only after consultation with municipal manager (ref s56 of the MSA). Note that persons assuming these duties, must meet certain competency levels (to be prescribed). In the interim municipalities should appoint such officials in an acting capacity only
1.10	Designate a person to assume the duties of the chief financial officer (CFO)	80	municipal CFO	ref s79(1) of MFMA	1-Jul-04	Done			
1.11	Administer the budget office, advise the municipal manager, senior managers and other senior finance officials, and undertake financial duties as delegated by the municipal manager	81		ref s79(1) of MFMA	1-Jul-04	Done			
1.12	Review contracts of employment in line with compliance with new roles and responsibilities under the MFMA for senior managers and other officials exercising financial responsibilities	78	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	Review system of delegation	MM to produce delegation system and record	Also ref s57 of the MSA
1.13	Take all reasonable steps within their respective areas of responsibility to ensure their compliance with s76	78	senior managers & officials exercising	n/a	1-Jul-08	Not done	Review systems	MM to produce written instruction	
1.14	Review of delegations Initiate a review of delegations in terms of the MFMA, in order to take account of s59 (mayor), s79 (municipal manager) and s82 (CFO)	59 79 82	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	Review	Delegation system and register	In including delegations, also ref s60(2) of the Constitution, s52 of the MSA, s 58 to s61 of the MSA.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what? / Agreed further action	Comments (NT)
1.15	Review of finance related by-laws and ordinances in conjunction with a review of finance and budget-related policies, review all by-laws and ordinances relating to the budget and financial management (incl tariff policy)	24(2) 53(1)(b)(ii)	council	cannot be delegated, mayor to	30-Jun-05	Done	Review done during Budget	CFO to check - rates, tariff definitions and meanings / review indigence policy	This function may not be delegated by council (ref s180(2) of Constitution), see also s74 & s75 of the MSA
1.16	Budget and treasury office	80	municipality	ref s59 of MSA	1-Jul-06	Done	Will be reviewed as part of this project	MFM to review	By capacity - relates to 1 July 2006 for low capacity council
1.17	Competency levels and training	83(1)	municipal manager, CFO, other	n/a	1-Jul-08	Not done	Review / check latest regulations		
1.18	Meet prescribed financial management competency levels	83(2)	municipality	ref s59 of MSA	1-Jul-08	Not done	What is the training budget for 2007/8		
1.19	INTERNAL CONTROL	62(1)(c)&(f)(i)(ii)&(g)	municipal manager	ref s79(1) of MFMA	1-Jul-07	Done	External Service Provider appointed to perform internal audit		By capacity - relates to 2007/08 year for low capacity council. Note: imposition of rates & other taxes. Review is done may not be delegated by council (ref s180(2) of Constitution).
1.20	Ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management, internal control and internal audit, operating with prescribed norms and standards, and has and implements a tariff policy, a rates policy and credit control and debt collection policy as required by applicable legislation	165	municipality	ref s59 of MSA	1-Jul-07	Done	See above		By capacity - relates to 1 July 2007 for low capacity council
1.21	Establish an internal audit unit in accordance with s165	166	municipality	ref s59 of MSA	1-Jul-07	Done	Audit Committee is meeting		By capacity - relates to 1 July 2008 for low capacity council. Members of the audit committee to be appointed by council
1.22	RESOLUTION OF FINANCIAL PROBLEMS	44	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	Is MM aware?	MM - to produce system agreed	
1.23	Put in place an agreed resolution mechanism to ensure disputes concerning municipalities with organs of state of a financial nature are promptly resolved in accordance with s44, in instances when NT is not party to a dispute, report the matter to NT and where appropriate request mediation by NT	54(2) 55	mayor	ref s59(1) of MFMA	1-Jul-04	Yes	Is MM / Mayor aware - cashflow is breakeven Monthly report to Council	System?	
1.24	Put in place an agreed system to ensure the mayor promptly responds to and initiates any remedial or corrective steps proposed by the municipal manager in cases where the municipality faces serious financial problems and alert the council and MEC for local government in the province	C 13	municipality	ref s59 of MSA	1-Jul-08	Not done	MM - has staff been advised in writing?	MM to Produce written instruction	
1.25	Take steps to ensure that the council, the mayor and top/senior management are aware of the implications of Chapter 13 in particular, what constitutes "serious financial problems" - triggers for provincial intervention and the role of the Municipal Financial Recovery Service	C 15	municipality	ref s59 of MSA	1-Jul-08	Not done	MM - has staff been advised in writing?	MM - system / written instruction to staff	
1.26	GENERAL MATTERS	62(1)(e)	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	Review system	MM - produce system	
1.27	Put in place an appropriate system to ensure that disciplinary action, or when appropriate criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15	164	municipality	ref s59 of MSA	1-Jul-08	Not done	Review system	MM - produce system	

2 FINANCIAL PLANNING AND BUDGETING

This section incorporates the development of the municipality's annual budget, and the integration of that budget with a review of the municipality's integrated development plan (IDP) and budget-related policies, performance measures as well as annual performance agreements. The tabling and process for approval of the annual budget is described, together with consequences for any failure to table or adopt the budget within an appropriate timeframe. It summarises new requirements involved in implementing the annual budget, using a service delivery and budget implementation plan (SDBIP) and if required an adjustments budget. Refer MFMA Chapters 4, 7 and 8, as well as s34 and s57 of the MSA and s215 of the Constitution.

BUDGET ADMINISTRATION

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what? Agreed further action	Comments (NT)
2.1	Provide general political guidance over the budget process	53(1)(a)	Mayor	ref s59(1) of MFMA	1-Jul-04	Done	Process chart is being prepared for 2009/9		Effective date that relates to 2006/06 budget.
2.2	Assist the mayor in performing the budgetary functions assigned to him or her and provide the administrative support, resources and information necessary for him or her to perform those functions	58	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	2007/8 budget completed on time		Effective date that relates to 2006/06 budget.
PREPARATION OF ANNUAL BUDGET									
2.3	Coordinate annual budget process and review of IDP and budget-related policies to ensure that the tabled budget, IDP and policy revisions are consistent and credible	21(1)(a)	Mayor	ref s58(1) of MFMA	1-Jul-04	Done			Effective date that relates to 2006/06 budget.
2.4	When preparing the annual budget take into account the IDP (ensuring its revision under the MSA) and take into account national budget, provincial budget and national government policy, and consult with stakeholders in accordance with s21(2)(d)	21(2), 53(1)(b)	Mayor	ref s59(1) of MFMA	1-Jul-04	Done			Effective date that relates to 2006/06 budget. IDP review to be in accordance with s24 of MSA.
2.5	For the purposes of the annual budget, certify that revenues anticipated to be collected are realistic, and confirm that adequate provision for bad and doubtful debts has been made	18	Mayor	municipal manager must assist	1-Jul-04	Done	Possible review of the bad debts provision		Effective date that relates to 2006/06 budget.
2.6	Set out the annual budget in a schedule that shows revenue by source, and expenditure by vote divided into capital and operating accompanied by appropriate draft resolutions, a cash flow projection, IDP and budget policy amendments, particulars on investments, municipal entities, service delivery agreements, grant allocations, employment costs and other prescribed information	17(1)(a), b)(d)(i)(e), (2)(3)(a) & (c) to (m)	Mayor	ref s59(1) of MFMA, municipal manager must assist	31-Aug-04	Done			Actual date that relates to 2006/06 budget. Must be in accordance with an NT framework (see annexure).
2.7	Table in council a time schedule outlining the key deadlines for the forthcoming annual budget at least 10 months before the start of the budget year	21(1)(b)	Mayor	ref s59(1) of MFMA	1-Sep-04	Busy with 2008/9 process	Target 2007/09/11 Council meeting		Actual date that relates to 2006/06 budget.
2.8	Ensure that in instances where a municipality must transfer an allocation of funds to another municipality, notify the receiving municipality by no later than 120 days before the start of the budget year of the projected amount of the allocation during each of the next 3 financial years	37(2)	municipal manager	ref s79(1) of MFMA	28-Feb-05	N/A			Actual date that relates to 2006/06 budget - covered to notify municipality of 3 year allocations by end of February each year
2.9	Before approving a capital project in terms of the annual budget, consider projected costs covering all financial years until the project is operational and future operational costs and revenue including tariff implications	19(2)	council	ref s59 of MSA	1-Jul-06	Done	No loan finance indicated		By capacity - effective date that relates to 2007/06 budget for low capacity councils. Must be in accordance with an NT framework (see annexure).
2.10	Note: Set out the annual budget as above, but in addition, over a 3 year period, showing revenue and expenditure by vote for the preceding year, with measurable performance objectives for revenue by source and expenditure by vote linked to the IDP	17(1)(c), d)(e)&(3)(b)	Mayor	ref s59(1) of MFMA, municipal manager	31-Aug-06	Done			By capacity - actual date that relates to 2007/06 budget for low capacity councils. Must be in accordance with an NT framework (see annexure).
TABLING OF ANNUAL BUDGET									
2.11	Tabling and failure to table Table annual budget at a council meeting at least 90 days before the start of the budget year	18(2)	Mayor	ref s59(1) of MFMA	2-Apr-05	Done			Actual date that relates to 2006/06 budget.
2.12	In instances of any delay in tabling the annual budget, approving the service delivery and budget implementation plan (SDBIP) or signing of the annual performance agreements, report the matter promptly to the council and MEC for finance in the province	53(2)	Mayor	ref s59(1) of MFMA	2-Apr-05	N/A			Target date dependent upon 2.11 above. Relates to 2006/06 budget. Note: SDBIP - 28 July 2005, annual performance agreements - 31 July 2005.
Consultation and revision of annual budget									
2.13	Make public the annual budget and associated documentation immediately after tabling in council, and invite the community to make representations	22(a)	municipal manager	ref s79(1) of MFMA	2-Apr-05	Done			Target date dependent upon 2.11 above. Relates to 2006/06 budget.
2.14	Submit the annual budget as tabled in printed and electronic form to NT, the provincial treasury and others as prescribed	22(b)	municipal manager	ref s79(1) of MFMA	2-Apr-05	Done			Target date dependent upon 2.11 above. Relates to 2006/06 budget.
2.15	When the annual budget has been tabled in council, consider the views of the local community, NT, the provincial treasury and other provincial or national organs of state or municipalities	23(1)	council	ref s59 of MSA	2-Apr-05	Done			Target date dependent upon 2.11 above. Relates to 2006/06 budget.
2.16	Provide the mayor with an opportunity to respond to budget submissions made and if necessary revise the budget and table amendments for council consideration	23(2)	council	ref s59 of MSA	1-Jun-05	Done			Revised target date only. Relates to 2006/06 budget.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Data Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
APPROVAL OF ANNUAL BUDGET									
2.17	Approval of budget Approve 2004/05 annual budget before start of financial year	16(1)	council	cannot be delegated, mayor must	30-Jun-04	Done			Actual date that relates to 2004/05 budget. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
2.18	Where a capital project spans more than 1 year, ensure that a separate appropriation is made in each financial year. Note: such projects not to exceed 3 financial years, unless in compliance with s33.	16(3)	council	cannot be delegated	30-Jun-04	Done	Mainly financed by DORA		Effective date that relates to 2004/05 budget, see s31 and s33. The approval of a separate appropriation in each financial year to a budget requires a separate resolution and it may not be delegated by council (ref s16(2) of Constitution).
2.19	Submit the approved annual budget to NT and the provincial treasury	24(3)	municipal council	ref s79(1) of MFMA cannot be delegated, mayor must	30-Jun-04	Done			Section 79 applies until 1 April 2005.
2.20	Consider the approval of the 2005/06 annual budget at least 30 days before the start of the budget year	24(1)	municipal council	cannot be delegated, mayor must	1-Jun-05	Done			Actual date that relates to 2005/06 budget. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
2.21	Approve annual budget by council resolution, with resolutions to impose and set taxes and tariffs and changes to the IDP and budget-related policy before the start of the budget year	16(1) 24(2) 53(1)(c)(i)	council	cannot be delegated, mayor must	30-Jun-05	Done			Actual date that relates to 2005/06 budget. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
2.22	Note: Approve annual budget as above, but in addition, approve measurable performance objectives for revenue by source and expenditure by vote	24(2)	council	cannot be delegated, mayor must	30-Jun-07	Done	Target set for debt collection - other objectives however lack formal performance		By capacity - actual date that relates to 2007/08 budget for low capacity councils. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
2.23	Failure to approve If the council fails to adopt the annual budget by the first day of the budget year, report the matter immediately to the MEC for Local Government in the province in accordance with s55	25(3)	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			Target date dependent upon 2.21 above. Relates to 2004/05 budget. See s26 of MFMA.
2.24	Inform the MEC for finance in the province in writing of any impending non-compliance with any provision of the MFMA relating to the tabling or approval of a budget or compulsory consultative processes	27(1) 55	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			Target date dependent upon 2.21 above.
2.25	If the impending non-compliance referred to in s27(1) pertains to a time provision, apply to the MEC for finance for an extension of time if considered necessary	27(2)	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			Target date dependent upon 2.21 above.
2.26	Inform the council, the MEC for finance and NT in writing of any actual non-compliance with a provision of Chapter 4 and any remedial or corrective measures to be taken to avoid any recurrence of the problem	27(3)	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			
2.27	If the council fails to approve the annual budget before the start of the budget year, reconsider and again vote on the annual budget (as amended) within 7 days of the meeting that failed to approve the budget, and if still not adopted at that time, repeat the process until the budget is adopted	25(1)	council	cannot be delegated	7-Jul-05	N/A			Target date dependent upon 2.21 above. Relates to 2005/06 budget. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
IMPLEMENTATION OF ANNUAL BUDGET									
2.28	Implement the approved budget in accordance with s89(1)	69(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			Effective date that relates to 2004/05 budget.
2.29	Inform the provincial treasury in writing of any failure by the council to adopt or implement a budget-related policy or a supply chain management policy or any non-compliance by a political structure or office-bearer with the policy	73	municipal manager	ref s79(1) of MFMA	1-Jul-05	N/A			Effective date that relates to 2005/06 budget.
2.30	Service delivery and budget implementation plan Submit to the mayor a draft service delivery and budget implementation plan no later than 14 days after the approval of the annual budget	69(3)	municipal manager	ref s79(1) of MFMA	14-Jul-07	Done			Target date dependent upon 2.21 above. By capacity - relates to 2007/08 SDBP for low capacity councils.
2.31	Approve service delivery and budget implementation plan within 28 days after the approval of the budget	53(1)(c)(i)	mayor	ref s59(1) of MFMA	28-Jul-07	Done			Target date dependent upon 2.21 above. By capacity - relates to 2007/08 SDBP for low capacity councils.
2.32	Ensure that revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter as set out in the service delivery and budget implementation plan are made public no later than 14 days after its approval	53(3)	mayor	ref s59(1) of MFMA, mayor to ensure	1-Jul-08	Not Done	Review		Target date dependent upon 2.21 above. By capacity - relates to 2007/08 SDBP for low capacity councils.
2.33	Annual performance agreements Submit to the mayor drafts of annual performance agreements for the municipal manager and senior managers no later than 14 days after the approval of the annual budget	69(3)	municipal manager	ref s79(1) of MFMA	14-Jul-08	Busy with 2008/9 process	Review		Target date dependent upon 2.21 above. By capacity - relates to 2007/08 agreements for low capacity councils.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/Agreed further action	Comments (NT)
2.34	Ensure annual performance agreements comply with the MSA and are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan	53(1)(c)(i) mayor	ref 559(1) of MFMA, mayor to	28-Jul-08	Busy with 2008/9 process	Review			Target date dependent upon 2.31 above. By capacity - relates to 2007/08 agreements for low capacity councils. Ref 407 of MSA.
2.35	Ensure that performance agreements of the municipal manager, senior managers and other officials prescribed are made public no later than 14 days after the approval of the service delivery and budget implementation plan, and that copies of such performance agreements are submitted to the council and the MEC for local government in the province	53(3)	mayor	ref 559(1) of MFMA, mayor to ensure Note also s60 MSA	11-Aug-08	Busy with 2008/9 process	Review		Target date dependent upon 2.31 above. By capacity - relates to 2007/08 agreements for low capacity councils. Ref 407 of MSA.
2.36	Adjustments budgets Note: format, content and timing of adjustments budgets for the 2004/05 financial year are not prescribed, and should be in a format consistent with council needs Where necessary, prepare an adjustments budget and submit it to the mayor for consideration and tabling	69(2)	municipal manager	ref 579(1) of MFMA	1-Jul-04	Done			Effective date that relates to 2004/05 budget. Adjustments budget to be in format consistent with financial year.
2.37	Note: format, content and timing of adjustments budgets for the 2005/06 financial year will be prescribed, and therefore target dates may vary Table adjustments budget within prescribed limitations	28(4)	mayor	ref 559(1) of MFMA	1-Jul-05	Done			Effective date that relates to 2005/06 budget. Adjustments budget to be in a prescribed format.
2.38	Where necessary, revise approved annual budget through an adjustments budget in the appropriate format	28(1) to (3)&(5) to (7)	council	cannot be delegated	1-Jul-05	Done			Effective date that relates to 2005/06 budget. The approved budget may not be delegated by council (ref s10(3) of Constitution).

3 INCOME AND EXPENDITURE MANAGEMENT

Income and expenditure management involves the management of a municipality's systems that control the calculation of revenue due, receipt of that income and management of debt due. It also involves the management of a municipality's systems that control expenditures made, ensuring that all expenditure is lawful and paid in an efficient and effective manner. Income is discussed in Chapter 8 of the MFMA, with credit control and debt collection discussed in Chapter 9 of the MSA. Expenditure management is discussed further in Chapters 4 and 8 of the MFMA.

INCOME MANAGEMENT									
3.1	Maintain responsibility for the management of the municipality's revenue	64(1)	municipal manager	ref 579(1) of MFMA	1-Jul-04	Done			
3.2	Take all reasonable steps to ensure that the municipality's revenue systems comply with s64(2)	64(2)	municipal manager	ref 579(1) of MFMA	1-Jul-04	Done	Review	MM - all income is not accrued / interest is not raised / reconciliations weekly / codes of conduct not enforced	
3.3	Immediately inform NT of any payments due by an organ of state to the municipality in respect of municipal taxes or services if such payments are regularly in arrears for more than 30 days	64(3)	municipal manager	ref 579(1) of MFMA	1-Jul-04	Done			
3.4	Take all reasonable steps to ensure that any funds collected on behalf of another organ of state are transferred at least on a weekly basis and are not used by that municipality for its own purposes	64(4)	municipal manager	ref 579(1) of MFMA	1-Jul-04	Done	In process of repaying vehicle licences		
3.5	Ensure that the municipality has and implements an appropriate rates and tariff policy, and credit control and debt collection policy	62(1)(f)	municipal manager	ref 579(1) of MFMA	1-Jul-07	Done			By capacity - actual date that relates to 2007/08 year for low capacity councils. Also ref 408 of the MSA, & note 408 of the MSA - a by-law must give priority to credit control policy (reviewed annually by council).
EXPENDITURE MANAGEMENT									
Expenditure management system									
3.6	Take responsibility for the management of the municipality's expenditure	65(1)	municipal manager	ref 579(1) of MFMA	1-Jul-04	Done			
3.7	Take all reasonable steps to ensure that the municipality's expenditure systems comply with s65(2) (excluding s65(2)(j))	65(2)	municipal manager	ref 579(1) of MFMA	1-Jul-04	Done			
3.8	Pay amounts due to other municipalities or to national or provincial organs of state in a timely manner	37(1)	municipality	ref 559 of MSA	1-Jul-04	Done			See s65(2)(c) of MFMA; pay accounts within 30 days of receipt of invoice/statement.
3.9	Ensure that funds transferred to an organisation or body outside any sphere of government is done so in accordance with s67	67	municipal manager	ref 579(1) of MFMA	1-Jul-04	N/A	No budget		
3.10	Review the remuneration of political office-bearers and members of political structures to ensure that they are remunerated only in accordance with s167(1), and take steps to remedy irregular expenditure	167	municipality	ref 559 of MSA	1-Jul-04	Done	Paid per Act		
3.11	Report to council on all expenditure on staff salaries, wages, allowances and benefits by type in accordance with s66 and as prescribed	66	municipal manager	ref 579(1) of MFMA	31-Oct-04	Done	Is reported in the monthly Finance Report		Effective date is 1 July 2004. See s66 of MSA - municipalities must publish in the media, state the remuneration of senior staff by 31 October each year.
3.12	Note in addition to the requirements of s65(2) above, ensure that all financial accounts of the municipality are closed at the end of each month and reconciled	65(2)(j)	municipal manager	ref 579(1) of MFMA	1-Jul-07	Done	Monthly debtor bank and other recons are done per CFO - not inspected		By capacity - relates to 2007/08 year for low capacity councils.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
Budgeted expenditure									
3.13	Ensure that all expenditure incurred is in terms of an approved budget	15(a)	municipality	ref s59 of MSA	1-Jul-04	Done	Monthly Finance Report		Effective date that relates to 2004/05 budget.
3.14	Ensure that all expenditure is within the limits of each budget vote	15(b)	municipality	ref s59 of MSA	1-Jul-05	Done	Monthly Finance Report Accountant and CFO can sign orders above R2000		Effective date that relates to 2005/06 budget.
Expenditure beyond budget year									
3.15	Enter into a contract that will impose financial obligations in excess of three financial years only in accordance with s33	33	municipality	ref s59 of MSA	1-Jul-04	Done	CFO aware		By capacity - relates to 2004/07 budget for medium capacity council.
3.16	Incur expenditure on a capital project only when the project is budgeted for, and is approved by council after sources of funding have been considered and are available and uncommitted, and the project complies with s33 (regarding contracts with future budgetary implications)	19(1)	municipality	ref s59 of MSA	1-Jul-05	Done	CFO aware		Effective date that relates to 2005/06 budget. See s18(2) and s33 of MFMA.
3.17	Where appropriations for capital projects span more than 1 year, ensure that shifting of funds between years is in accordance with s31 (the municipal manager must receive prior written approval for the increase from the mayor)	31	municipal manager	ref s79(1) of MFMA	1-Jul-05	Done	CFO aware		Effective date that relates to 2004/05 budget.
Unauthorised, irregular or fruitless and wasteful expenditure									
3.18	Authorise unforeseeable and unavoidable expenditure for which no provision was made in the approved budget if considered appropriate subject to proper compliance with s29(2) and (3)	29	mayor	ref s59(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.19	Take steps to recover actual unauthorised, irregular or fruitless and wasteful expenditure	32(2)	municipality	ref s59 of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.20	Inform council and the mayor (or executive committee) in writing of any decision taken that is likely to result in expenditure that is unauthorised, irregular or fruitless and wasteful	32(3)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.21	Inform the mayor, the MEC for local government in the province and A-G in writing of any expenditure that is unauthorised, irregular or fruitless and wasteful, whether any person is responsible for the expenditure and steps taken to recover or rectify the expenditure and prevent any recurrence	32(4)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.22	Report to SAPS all cases of alleged irregular expenditure that constitutes a criminal offence or cases of theft or fraud	32(6)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.23	Report to SAPS all cases of alleged irregular expenditure referred to in s32(6) that involve the municipal manager or cases in which the municipal manager has failed to act in accordance with s32(6)	32(7)	municipal council	ref s59 of MSA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.24	Ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented	62(1)(d)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.

4 CASH MANAGEMENT AND BANKING

Cash management and banking involves the management of a municipality's bank accounts, including the structure of those accounts and daily account deposits and withdrawals. This is linked closely with investments (in terms of cash flows and liquid short-term, often overnight investments). In order to establish better controls, the Act requires the creation of a primary bank account, and places the onus on municipalities to advise certain parties of details of all accounts held. This is discussed primarily in Chapter 3 of the MFMA, with some references in Chapter 6.

BANK ACCOUNTS AND BANKING									
4.1	Open and maintain at least one bank account in the name of the municipality	7(1)	municipal manager	CFO only	1-Jul-04	Done	Two accounts		See s10(1)(c) & 10(2) of MFMA.
4.2	Deposit all money received into the bank account(s) promptly and in accordance with Chapter 3, and any requirements to be prescribed	7(2)	municipal manager	CFO only	1-Jul-04	Yes			See s10(1)(c) & 10(2) of MFMA.
4.3	Check to ensure that no bank accounts have been opened in contravention of s7(3)	7(3)	municipal manager	CFO only	1-Jul-04	Yes	Confirmed by CFO		See s10(1)(c) & 10(2) of MFMA.
4.4	Check to ensure that money is withdrawn from bank account(s) in terms of s11(1)	7(4)	municipal manager	CFO only	1-Jul-04	Yes	Confirmed by CFO		See s10(1)(c) & 10(2) of MFMA.
4.5	Designate and advise NT in writing of details of the primary bank account, or any change in the primary bank account	8(1)&(5)	municipal manager	CFO only	1-Jul-04	Yes	Confirmed by CFO		See s10(1)(c) & 10(2) of MFMA & DORA.
4.6	Deposit all moneys as required by s8 into the primary bank account	8(2) to (4)	municipal manager	CFO only	1-Jul-04	No	Deposit in two accounts / No ABSA bank in Stellenbosch / paid to SIBank and then transferred		See s10(1)(c) & 10(2) of MFMA.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
4.7	Administer all bank accounts, maintain accountability to council and enforce compliance with s7, 8 and 11	10(1)	municipal manager	s10(1)(c) of MFMA to	1-Jul-04	No	No written delegation to CFO		
4.8	Check to ensure that any delegation made in terms of s10(1)(c) is to the CFO only	10(2)	municipal manager	CFO only	1-Jul-04	No	See above		
4.9	Withdraw or authorise withdrawal of money from accounts in accordance with s11(1)	11(1)	municipal manager	CFO or other senior	1-Jul-04	No	No written delegations		
4.10	In cases where a municipality has more than one bank account, ensure that only the municipal manager or CFO is delegated authority to withdraw funds from the primary bank account	11(2)	municipal manager	CFO only	1-Jul-04	No	No written delegations		See s10(1)(c) & 10(2) of MFMA. Must be in accordance with an NT framework (see prescribed).
4.11	Check to ensure that all relief, charitable and trust accounts are set up in the name of the municipality and are administered by the municipal manager	12(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Yes	Drought relief fund		
4.12	Deposit all money received for relief, charitable and trust accounts into the correct account, and make withdrawals from those accounts only for the purposes for which the fund was established and where appropriate authorised by the municipal manager	12(2) to (4)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Yes	See above / no other s exist		
4.13	Notify NT of occasions when the bank account(s) of the municipality show an (consolidated) overdraft position for a period exceeding a prescribed period, and provide details of the amount, the reasons for the overdraft and the steps taken to correct the matter	70(2)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Yes	Aware / but no present overdraft		
4.14	Table in council a consolidated report of withdrawals each quarter, and submit a copy of the consolidated report to the provincial treasury and A-G	11(4)	municipal manager	CFO only	30-Oct-04	Yes / No	Reported monthly/ but not forwarded to Province / AG	CFO to diarise to send copy at end of each quarter	Effective date is 1 July 2004. See s10(1)(c) & 10(2) of MFMA. To be tabled & submitted by 30 October.
4.15	Submit to provincial treasury and A-G, written details of new bank accounts when opened, and 9 all bank accounts each year	9	municipal manager	ref s79(1) of MFMA	30-Jun-05	Yes	CFO aware		30 January, 30 April & 30 July.

5 SUPPLY CHAIN MANAGEMENT REFORM

The reform of supply chain management systems within municipalities is an important area within the MFMA. Municipalities must first take steps to ensure that the appropriate lines of oversight and accountability are established by taking councillors out of a role of implementation so as to concentrate purely on oversight of the process. Municipalities must ensure that they establish supply chain management systems that are fair, equitable, transparent, competitive and comply with the regulatory framework to be prescribed. Municipalities must also ensure that officers are appropriately trained and skilled to meet the prescribed competency levels. Refer Chapter 11 of the MFMA.

SUPPLY CHAIN MANAGEMENT									
Supply chain management system									
5.1	Ensure that councillors do not serve on a municipal bid committee or attend any meetings of these committees, or any other committee evaluating or approving tenders, quotations, contracts or other bids	117	municipal manager	ref s79(1) of MFMA	1-Jul-04	Yes			
5.2	Ensure that no person interferes with the supply chain management system of the municipality or amends or tampers with any tenders, quotations, contracts or bids after their submission	118	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
5.3	Ensure that unsolicited bids are dealt with in accordance with s113 and the prescribed regulatory framework	113	municipality	ref s59 of MSA	1-Dec-04	Yes			
5.4	If a tender other than one recommended is approved, notify in writing the A-G, the provincial treasury and NT and advise the reason for deviating from the original recommendation	114	municipal manager	ref s79(1) of MFMA	1-Dec-04	Yes	How is this controlled	Bid Committees	
5.5	Take all reasonable steps to ensure that proper mechanisms and separation of duties are in place in relation to supply chain management systems, to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices	115(1)(b)	municipal manager	ref s79(1) of MFMA	1-Jul-08	Done			
5.6	Ensure that all contracts and contract management procedures are administered in accordance with s116	116	municipal manager	ref s79(1) of MFMA	1-Jul-08	Done	See above		
5.7	Implement an appropriate supply chain management policy in accordance with Chapter 11 and the prescribed regulatory framework	62(1)(b) v) 111 112	municipal manager	ref s79(1) of MFMA	1-Jul-07	Yes	Policy approved / implementation and support systems to be reviewed		By capacity - relates to 2007/08 year for low capacity councils.
5.8	Note: In addition to the above requirements, establish capacity in the administration of all contracts and agreements in accordance with s116(2)(c)	116(2)(c)	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	How does this function / is there written instruction?		By capacity - relates to 2007/08 year for low capacity councils.
Competency levels and training									
5.9	Meet prescribed supply chain management competency levels	119(1)	municipal manager	n/a	1-Jul-08	Not done	What are the prescribed levels		
5.10	Provide the appropriate resources and opportunities for training of officials to meet the prescribed supply chain management competency levels	119(2)	municipality	ref s59 of MSA	1-Jul-08	Done			

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
PUBLIC-PRIVATE PARTNERSHIPS									
5.11	Ensure that the municipality only enters into a public-private partnership in accordance with the conditions and processes outlined in s420	120	municipality	ref s59 of MSA	1-Jul-04	Done	CFO aware / No PPPs at present under consideration		Must be in accordance with an NT framework (as prescribed).
6. MUNICIPAL INVESTMENTS AND BORROWINGS									
Municipalities must review their investment activities and their short and long-term borrowing arrangements as a high priority. Municipal investments are to be regulated by investment regulations and municipal policy. Municipal borrowings are governed by s160(2), s218 and s230A of the Constitution, and Chapter 6 of the MFMA.									
INVESTMENTS									
6.1	Establish an appropriate cash management and investment policy	13(2)	municipality	ref s59 & s60(2) of MSA	1-Jul-04	Done			Must be in accordance with an NT framework (as prescribed).
BORROWINGS (INCLUDING DEBT)									
Short-term debt									
6.2	Check to ensure that all short-term debt is incurred in accordance with the provisions of the MFMA and only when necessary to bridge shortfalls and capital needs within a financial year	45(1)	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		Must be in accordance with an NT framework (as prescribed).
6.3	Obtain resolution of council, signed by the mayor approving the short-term debt agreement, and signed by the municipal manager to create or acknowledge the debt	45(2)	municipality	ref s59 of MSA	1-Jul-04	Done			Must be in accordance with an NT framework (as prescribed).
6.4	Check to ensure that the council resolution above refers to an individual short-term debt transaction, credit facility or line of credit or bank overdraft only	45(3)	municipality	ref s59 of MSA	1-Jul-04	Done			Must be in accordance with an NT framework (as prescribed).
6.5	Develop a plan to ensure that all short-term debt is fully repaid by 1 July 2008 (with an aim to extinguish debt by 25% pa)	45(4)	municipality	ref s59 of MSA	1-Jul-04	None			NT recommends that debt be extinguished over a 4 year period (maximum)
Long-term debt									
6.6	Check to ensure that all long-term debt is incurred in accordance with the provisions of the MFMA and only for the purpose of capital expenditure (see s46(4)) and consistent with the capital budget (see s46(6)) or for the re-financing of existing long-term debt (see s46(3))	46(1)	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		Must be in accordance with an NT framework (as prescribed).
6.7	Obtain resolution of council, signed by the mayor approving the long-term debt agreement and signed by the municipal manager to create or acknowledge the debt	46(2)	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		Must be in accordance with an NT framework (as prescribed).
6.8	Enter into long-term debt agreements only in accordance with s46(3)	46(3)	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		Must be in accordance with an NT framework (as prescribed).
6.9	Security over debt Check to ensure that all debt is denominated in Rand and is not indexed or affected by fluctuations against foreign currencies, and in instances where security is to be provided by the municipality it is in accordance with s46(3)	47	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		Must be in accordance with an NT framework (as prescribed).
6.10	Ensure that security over debt obligations is strictly in accordance with s48	48	council	ref s59 of MSA	1-Jul-04	N/A	No need at present		Must be in accordance with an NT framework (as prescribed).
6.11	Ensure that municipal debt guarantees are only provided in terms of s50	50	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		Must be in accordance with an NT framework (as prescribed).
6.12	Disclosure of information Ensure that all persons involved in the borrowing of money are aware of requirements to disclose information accurately when interacting with a prospective lender	49	all councillors	n/a	1-Jul-04	N/A	No need at present		Must be in accordance with an NT framework (as prescribed).
7. ASSET AND LIABILITY MANAGEMENT									
The municipality must put in place appropriate systems of control to safeguard its assets, and to manage liabilities. Refer Chapters 3, 8 and 14 of the MFMA and s60 of the MSA.									
ASSET MANAGEMENT									
Asset management system									
7.1	Maintain responsibility for management of the municipality's assets and liabilities	63(1)	municipality	ref s79(1) of MFMA	1-Jul-04	Done			By capacity - relates to 2007/08 year for low capacity councils.
7.2	Take all reasonable steps to ensure that the municipality maintains appropriate systems and controls and that assets and liabilities are valued according to GRAP	63(2)	municipal manager	ref s79(1) of MFMA	1-Jul-08	Busy			
Disposal of assets									
7.3	Ensure that an appropriate system is established to dispose of capital assets in accordance with s14 (ie. to ensure that assets required for the minimum level of basic municipal services are not inappropriately disposed)	14	municipality	ref s59 of MSA	1-Jul-04	Done			
7.4	Consider the delegation of power to make determinations to dispose of movable capital assets below a certain value to the municipal manager	14(4)	council	ref s59 & s60(1)(a) of MSA	1-Jul-04	Done			
LIABILITY MANAGEMENT									
7.5	Take appropriate steps to ensure that the municipality does not incur a liability or risk payable in a foreign currency	163	municipality	ref s59 of MSA	1-Jul-04	Done	CFO is aware / have other managers been advised		

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what? Agreed further action	Comments (NT)
8. IN-YEAR AND ANNUAL REPORTING									
The MFMA requires councils to report monthly and quarterly and mid-year, on its budget performance. It also requires that municipalities provide a range of information on the municipal website and contains other additional reporting requirements. Councils must also prepare and review their annual financial statements and provide an annual report within set timeframes. An oversight report must be prepared in response to the auditor's report on the state of municipal finances. Refer primarily to chapters 7, 8 and 12 of the MFMA and s46 of the MSA.									
IN-YEAR REPORTING									
Monthly reporting									
8.1	Report to council in writing on any impending shortfalls in budgeted revenue and overspending in the budget, and steps taken to prevent or rectify such shortfalls or overspending	70(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	Monthly report		Effective date is 1 July 2004, however need in context of 8.2 above.
8.2	Consider monthly budget statements and mid-year budget and performance assessment reports: issue appropriate instructions to the municipal manager to ensure revenue and expenditure proceed in line with the budget, identify any real or potential financial problems and submit reports and take appropriate action	54(1)	mayor	ref s59(1) of MFMA	10-Jan-05	Done			
8.3	Note: In addition to the detail provided in the monthly budget statement referred to above, provide information required by s71(1)(e), (f), and (g)	71	municipal manager	ref s79(1) of MFMA	10-Jan-05	Done	Monthly report		DoRA applies until 1 April 2005. Effective from 1 October 2004 (first monthly report refers to December 2004)
8.4	Submit to the mayor and provincial treasury no later than 10 working days after the end of each month, a monthly budget statement in the prescribed format reflecting information required by s71(1)(e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (aa), (ab), (ac), (ad), (ae), (af), (ag), (ah), (ai), (aj), (ak), (al), (am), (an), (ao), (ap), (aq), (ar), (as), (at), (au), (av), (aw), (ax), (ay), (az), (ba), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bi), (bj), (bk), (bl), (bm), (bn), (bo), (bp), (bq), (br), (bs), (bt), (bu), (bv), (bw), (bx), (by), (bz), (ca), (cb), (cc), (cd), (ce), (cf), (cg), (ch), (ci), (cj), (ck), (cl), (cm), (cn), (co), (cp), (cq), (cr), (cs), (ct), (cu), (cv), (cw), (cx), (cy), (cz), (da), (db), (dc), (dd), (de), (df), (dg), (dh), (di), (dj), (dk), (dl), (dm), (dn), (do), (dp), (dq), (dr), (ds), (dt), (du), (dv), (dw), (dx), (dy), (dz), (ea), (eb), (ec), (ed), (ee), (ef), (eg), (eh), (ei), (ej), (ek), (el), (em), (en), (eo), (ep), (eq), (er), (es), (et), (eu), (ev), (ew), (ex), (ey), (ez), (fa), (fb), (fc), (fd), (fe), (ff), (fg), (fh), (fi), (fj), (fk), (fl), (fm), (fn), (fo), (fp), (fq), (fr), (fs), (ft), (fu), (fv), (fw), (fx), (fy), (fz), (ga), (gb), (gc), (gd), (ge), (gf), (gg), (gh), (gi), (gj), (gk), (gl), (gm), (gn), (go), (gp), (gq), (gr), (gs), (gt), (gu), (gv), (gw), (gx), (gy), (gz), (ha), (hb), (hc), (hd), (he), (hf), (hg), (hh), (hi), (hj), (hk), (hl), (hm), (hn), (ho), (hp), (hq), (hr), (hs), (ht), (hu), (hv), (hw), (hx), (hy), (hz), (ia), (ib), (ic), (id), (ie), (if), (ig), (ih), (ii), (ij), (ik), (il), (im), (in), (io), (ip), (iq), (ir), (is), (it), (iu), (iv), (iw), (ix), (iy), (iz), (ja), (jb), (jc), (jd), (je), (jf), (jg), (jh), (ji), (jj), (jk), (jl), (jm), (jn), (jo), (jp), (jq), (jr), (js), (jt), (ju), (jv), (jw), (jx), (jy), (jz), (ka), (kb), (kc), (kd), (ke), (kf), (kg), (kh), (ki), (kj), (kk), (kl), (km), (kn), (ko), (kp), (kq), (kr), (ks), (kt), (ku), (kv), (kw), (kx), (ky), (kz), (la), (lb), (lc), (ld), (le), (lf), (lg), (lh), (li), (lj), (lk), (ll), (lm), (ln), (lo), (lp), (lq), (lr), (ls), (lt), (lu), (lv), (lw), (lx), (ly), (lz), (ma), (mb), (mc), (md), (me), (mf), (mg), (mh), (mi), (mj), (mk), (ml), (mn), (mo), (mp), (mq), (mr), (ms), (mt), (mu), (mv), (mw), (mx), (my), (mz), (na), (nb), (nc), (nd), (ne), (nf), (ng), (nh), (ni), (nj), (nk), (nl), (nm), (nn), (no), (np), (nq), (nr), (ns), (nt), (nu), (nv), (nw), (nx), (ny), (nz), (oa), (ob), (oc), (od), (oe), (of), (og), (oh), (oi), (oj), (ok), (ol), (om), (on), (oo), (op), (oq), (or), (os), (ot), (ou), (ov), (ow), (ox), (oy), (oz), (pa), (pb), (pc), (pd), (pe), (pf), (pg), (ph), (pi), (pj), (pk), (pl), (pm), (pn), (po), (pp), (pq), (pr), (ps), (pt), (pu), (pv), (pw), (px), (py), (pz), (qa), (qb), (qc), (qd), (qe), (qf), (qg), (qh), (qi), (qj), (qk), (ql), (qm), (qn), (qo), (qp), (qq), (qr), (qs), (qt), (qu), (qv), (qw), (qx), (qy), (qz), (ra), (rb), (rc), (rd), (re), (rf), (rg), (rh), (ri), (rj), (rk), (rl), (rm), (rn), (ro), (rp), (rq), (rr), (rs), (rt), (ru), (rv), (rw), (rx), (ry), (rz), (sa), (sb), (sc), (sd), (se), (sf), (sg), (sh), (si), (sj), (sk), (sl), (sm), (sn), (so), (sp), (sq), (sr), (ss), (st), (su), (sv), (sw), (sx), (sy), (sz), (ta), (tb), (tc), (td), (te), (tf), (tg), (th), (ti), (tj), (tk), (tl), (tm), (tn), (to), (tp), (tq), (tr), (ts), (tt), (tu), (tv), (tw), (tx), (ty), (tz), (ua), (ub), (uc), (ud), (ue), (uf), (ug), (uh), (ui), (uj), (uk), (ul), (um), (un), (uo), (up), (uq), (ur), (us), (ut), (uu), (uv), (uw), (ux), (uy), (uz), (va), (vb), (vc), (vd), (ve), (vf), (vg), (vh), (vi), (vj), (vk), (vl), (vm), (vn), (vo), (vp), (vq), (vr), (vs), (vt), (vu), (vv), (vw), (vx), (vy), (vz), (wa), (wb), (wc), (wd), (we), (wf), (wg), (wh), (wi), (wj), (wk), (wl), (wm), (wn), (wo), (wp), (wq), (wr), (ws), (wt), (wu), (wv), (ww), (wx), (wy), (wz), (xa), (xb), (xc), (xd), (xe), (xf), (xg), (xh), (xi), (xj), (xk), (xl), (xm), (xn), (xo), (xp), (xq), (xr), (xs), (xt), (xu), (xv), (xw), (xx), (xy), (xz), (ya), (yb), (yc), (yd), (ye), (yf), (yg), (yh), (yi), (yj), (yk), (yl), (ym), (yn), (yo), (yp), (yq), (yr), (ys), (yt), (yu), (yv), (yw), (yx), (yy), (yz), (za), (zb), (zc), (zd), (ze), (zf), (zg), (zh), (zi), (zj), (zk), (zl), (zm), (zn), (zo), (zp), (zq), (zr), (zs), (zt), (zu), (zv), (zw), (zx), (zy), (zz)								
8.5	Note: In addition, check and if necessary make the appropriate amendments to the SDBIP, and make revisions public	54(1)(d)(3)	mayor	ref s59(1) of MFMA	1-Jul-07	Done			By capacity - relates to 2007/08 budget for low capacity councils. Effective date 1 July 2007.
8.6	Note: In addition to the detail provided in the monthly budget statement referred to above, provide information required by s71(1)(c), (d), and (g) (i) and (ii)	71	municipal manager	ref s79(1) of MFMA	10-Aug-06	Done	Monthly report		By capacity - relates to 2007/08 year for low capacity councils. Effective from 1 July 2008 (first monthly report refers to July)
8.7	Quarterly reporting								By capacity - relates to 2007/08 budget for low capacity councils. Effective date 1 July 2007.
8.8	Submit a report to the council on the implementation of the budget and state of municipal finances within 30 days of the end of each quarter	52(d)	mayor	ref s59(1) of MFMA	30-Oct-04	Done	Monthly report		To be submitted by 30 October, 30 January, 30 April & 30 July. Note also DoRA as.
8.9	Mid-year reporting								By capacity - actual date, relates to 2006/07 budget for low capacity councils.
8.10	Submit to the mayor, NT and provincial treasury by 25 January each year, a mid-year budget and performance assessment reflecting information required by s72(1)(a)(i), (ii), (iv), (1)(b), (2) and (3)	72	municipal manager	ref s79(1) of MFMA	25-Jan-07	Done			By capacity - actual date, relates to 2007/08 budget for low capacity councils.
8.11	Note: In addition to the detail provided in the mid-year budget and performance assessment referred to above, provide information required by s72(1)(e)(i)	72	municipal manager	ref s79(1) of MFMA	25-Jan-08	Done			
8.12	Other reporting								
8.13	Submit information as prescribed or required to NT, the provincial treasury, the provincial department for local government or the A-G.	74(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
8.14	If unable to comply with any of the responsibilities contained in the MFMA report that fact with reasons to the mayor and the provincial treasury	74(2)	municipal manager	ref s79(1) of MFMA	1-Jul-04	NA			
8.15	Submit to NT within 3 months of 1 July 2004, a list of corporate entities, public-private partnerships and long-term contracts as detailed in s178(2)	178(2)	municipality	ref s59 of MSA	30-Sep-04	NA			
8.16	Submit to the provincial treasury and A-G, the appropriate documentation authorising lawful over-expenditure in a capital programme within a financial year	31(e)	municipal manager	ref s79(1) of MFMA	1-Jul-05	NA			Effective date that relates to 2005/06 budget.
8.17	Website reporting								
8.18	Place on the website information required by s75, no later than 5 days after its tabling in council or on the date which it must be made public, whichever comes first	75	municipal manager	ref s79(1) of MFMA	1-Jul-08	Done			By capacity - relates to 2007/08 year for low capacity councils.
END-OF-YEAR REPORTING									
Annual financial statements									
8.19	Prepare 2008/09 annual financial statements in accordance with s122(1) containing disclosures as required by s124 and s125	122(1) 124 125	municipality	ref s59 of MSA	31-Aug-04	Yes			Also ref s5 DoRA
8.20	If a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately seek solutions to the problem and notify the MEC for local government and MEC for finance in the province and SALGA	135	municipality	ref s59 of MSA	1-Jul-05	Aware			Relates to 2004/05 financial statements.
8.21	Submit 2004/05 annual financial statements to the A-G within 2 months after the end of the financial year	126(1)(e)	municipal manager	ref s79(1) of MFMA	31-Aug-05	Done	Signed receipt		Relates to 2004/05 financial statements.
8.22	Note: Ensure that annual financial statements disclose information on intergovernmental and other allocations as required by s123(1)	123(1)	municipality	ref s59 of MSA	31-Aug-05	Done			

